

Mailers Technical Advisory Committee (MTAC)

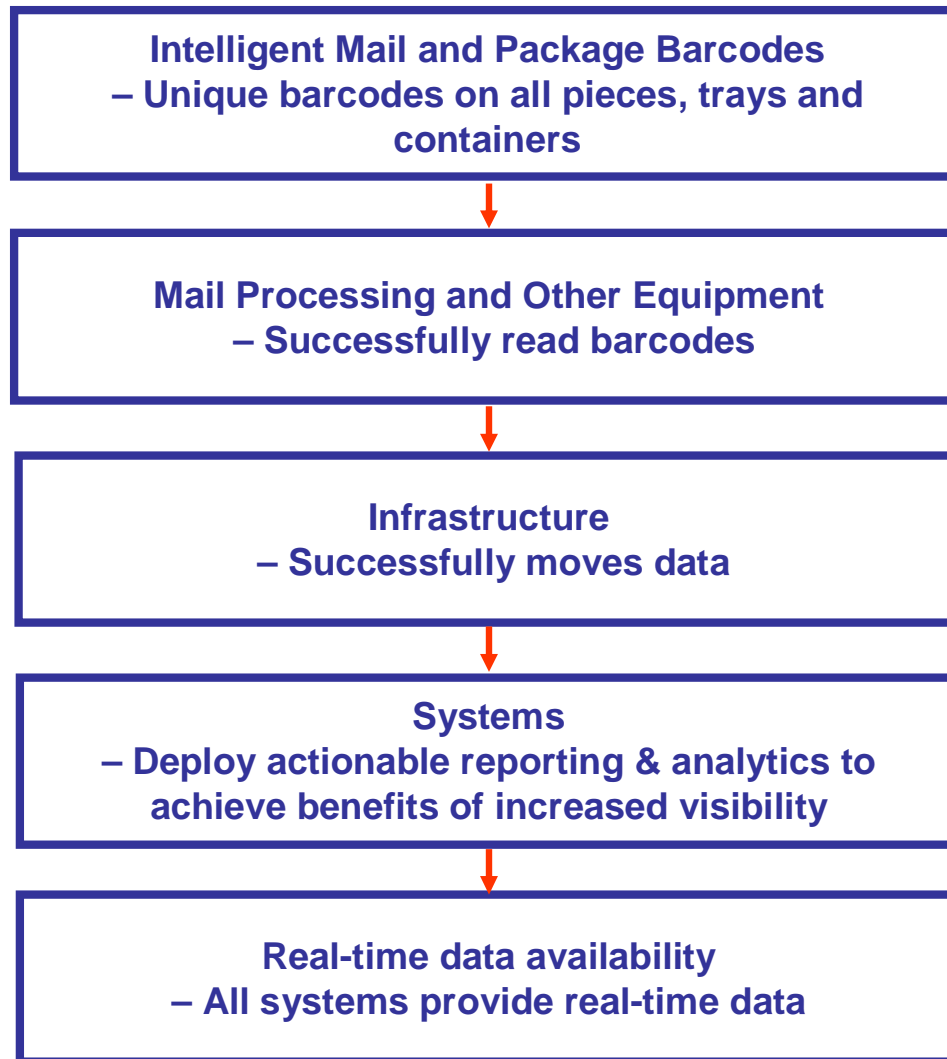
**VP, Product Information
Jim Cochrane**

November 30, 2011

How does the market define 100% visibility?

- A barcode on every piece
- Capture information at every handling
- 5-10 visibility events per piece
- Scan performance is 99%+
- Data transmission is 99%+
- Real-time scanning capabilities
- System available 24/7/365

Building Blocks to Achieve Visibility



- **Significant increase of Intelligent Mail barcodes to 72%**
 - Increase in FY 11 of 44%
- **Greatest shift was from POSTNET to Basic**
 - Basic increased 65%
 - Full Service increased 32%
 - POSTNET **decreased 50%**
- **Inclusion of free visibility into January price change**

Key Initiatives

- **Integrate existing visibility systems**
- **Reduce latency of visibility data to centralized repositories-more real time**
- **Create integrated piece-scan repositories with reporting and diagnostic capabilities**
- **Enhance visibility at delivery units and mailer facilities**
- **Leverage MPE to increase passive nested events**

Customer Value Proposition

- Increase customer response rates
- Analyze mailpiece creative design
- Predict payments
- Reduce collection calls
- Monitor performance of mail
- Improve business processes
- Reduce mailing cost

USPS Value Proposition


- Enhance value of mail
- Total transparency, measure all processes
- Capture cost by product
- Reduce labor costs
- Predict operational workload
- Enhance the ability to offer new products and services
- Allow for delivery efficiencies – dynamic routing
- Improve service analytics

Visibility on USPS Possession and Movement Through Network

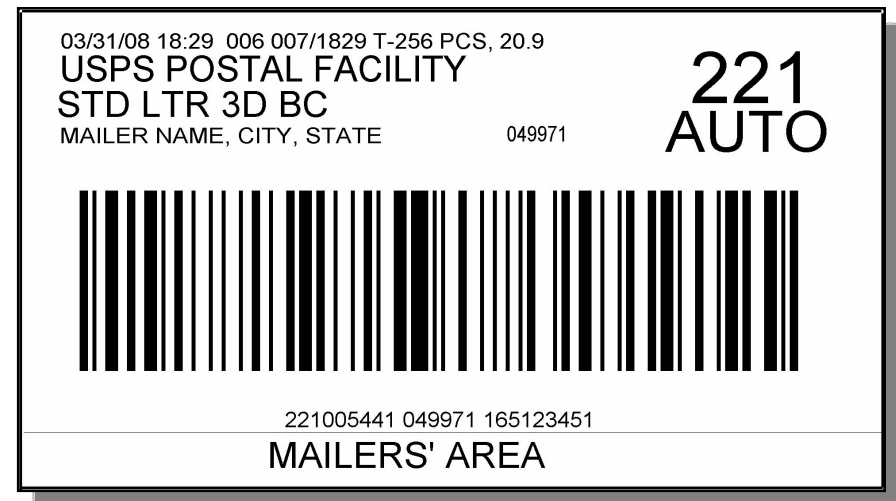


Intelligent Mail Container Barcode

99M Placard

SCF SAN FRANCISCO CA		940
STD FLTS SCF BC/NBC		
XYZ CORPORATION INTERNATIONAL FALLS, MN		
USPS SCAN REQUIRED		
		
99 M 123456 —ABC1234		
(Mailer Area)		

Intelligent Mail Tray Label Visibility on Movement within a Facility



Enables Visibility Throughout USPS Network

End-to-End Visibility – Knowledge is Value

Start-the-clock



Enhanced Container and Tray
Visibility



Stop the Clock

Building Enhanced Tracking Capability

- **Implement Informed Visibility™ Phase 1 in Jan 2012**
 - **Container and tray visibility for Full Service IMb**
 - **Free piece scan data for all IMb users**

- **Develop and implement**
 - **Informed Visibility Phase 2**
 - **Enhanced Measurement and Reporting Infrastructure**
 - **Enhanced Service Performance Diagnostics**
 - **Predictive Workload and Diagnostics**
 - **Intelligent Mail Barcode Generators**
 - **Expansion of SV to remaining plants**

Intelligent Barcodes on Mail Projected End of 2012

Full Service IMb Letters/Flats

Class of Mail	End of 2011	End of 2012
First-Class Mail	55%	65%-75%
Periodicals	50%	60%-70%
Standard Mail	35%	40%-50%
Total	42%	48%-55%

Tracking Capability End of FY2012

Event	Full Service Letters/Flats
Acceptance	
Depart Post Office/BMEU	
Arrive USPS Sort Facility (Origin)	
Processed through USPS sort facility (enroute)	
Depart USPS Sort Facility	
Enroute Tray and Sack Events	
Arrive USPS Sort Facility (Destination)	
Processed through USPS Sort Facility (enroute)	
Depart USPS Sort Facility	
Arrival at Post Office	
Processing Complete	
Out for Delivery	
Delivered	

Allowing mailers to answer “Where’s my mail?”

- **Phase 1 (January 22, 2012):**
 - Obtain piece-level scan data through CONFIRM application
 - Obtain container/tray scan data through *PostaOne!* Reports and Mail.XML
- **Phase 2 (date TBD):**
 - Obtain piece-level and container/tray scan data through single user friendly interface

- ❑ CONFIRM service will be discontinued and will be replaced by IMb™Tracing
- ❑ Beginning January 22, 2012, users can obtain IMb Tracing piece-level scan data – **Free!**

No annual/quarterly subscription fee!

No need to purchase additional blocks of scans!

No fee to register additional Mailer IDs!

- ❑ CONFIRM subscriptions will be supported until they expire
- ❑ PLANET CODE tracking will no longer be supported once existing CONFIRM subscription expires
- ❑ *PLANET Code users must coordinate CONFIRM subscription with IMb transition plan to ensure no loss of service*
- ❑ Last day to renew CONFIRM subscriptions is 1/21/12

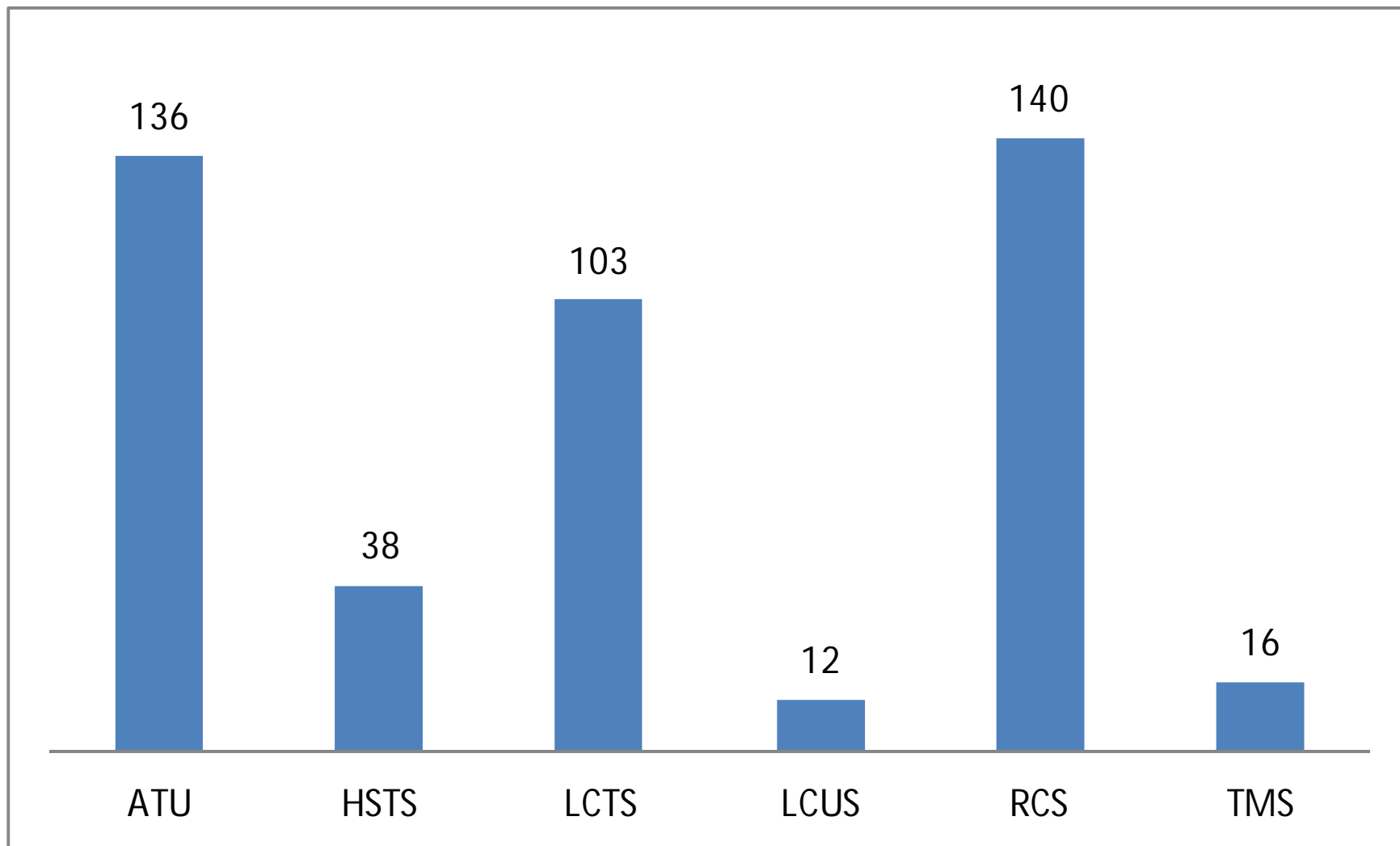
- ☐ **Existing CONFIRM customer transition should be seamless**
- ☐ **New IMb Tracing users must register through the Helpdesk**
- ☐ **Data distribution determined through eDoc and CONFIRM profile**
- ☐ **MID registration through Business Customer Gateway**

- ❑ Tray and container scan data for Full Service mailings provided through PostalOne! Reports and Mail.XML (11.0.D)**
- ❑ Events generated for IM Container Barcodes (IMcb) and IM Tray Labels (IMtl)**
- ❑ Data distribution determined by eDoc and MID profiles**

Phase 1 – Informed Visibility™ - Jan 12

USPS equipment capturing Tray Scans

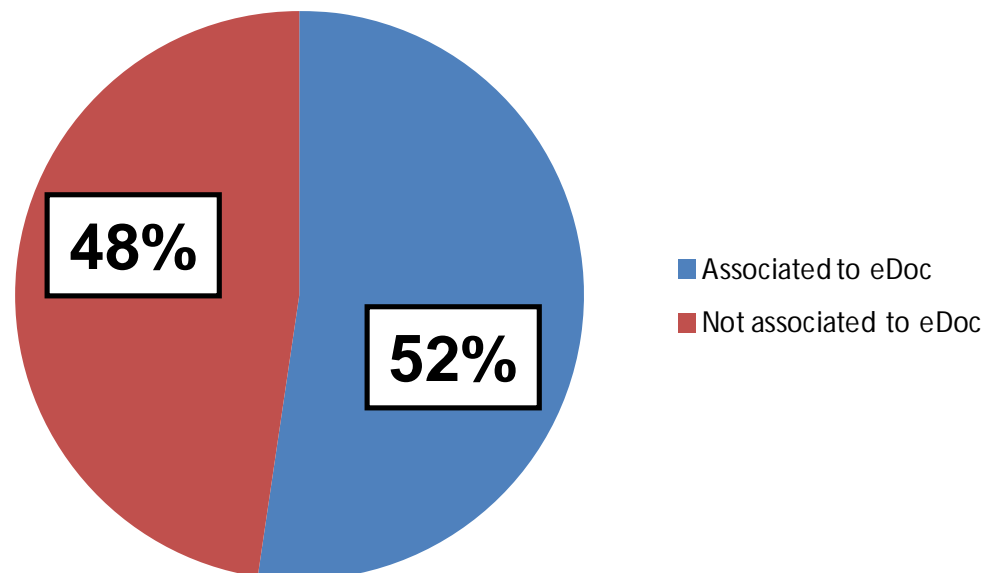
**Currently 445 pieces of fixed mechanization
across 170 facilities are generating tray scan data**



Phase 1 – Informed Visibility – Jan 12

In-Plant Tray Scans

From 11/6 to 11/19, 52% of the in-plant tray scans associated to Full Service Electronic Documentation (eDoc)

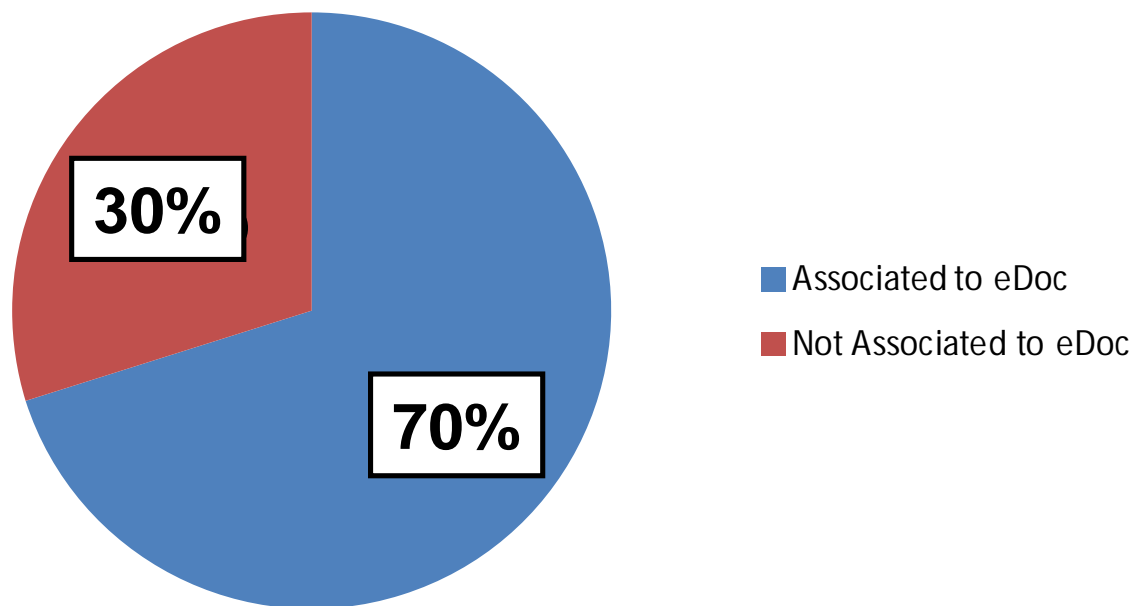


	Associated to eDoc		Not Associated to eDoc	
ATU	596,668	56%	476,643	44%
HSTS	883,967	47%	1,001,399	53%
LCTS	338,626	56%	271,161	44%
LCUS	391	36%	684	64%
RCS	381,103	56%	300,203	44%
TMS	261,551	58%	192,854	42%
Total	2,462,306	52%	2,242,944	48%

Phase 1 – Informed Visibility™ – Jan 12

Air transportation Tray Scans

From 11/6 to 11/19, 70% of the tray Scans captured on air transportation associated to Full Service Electronic Documentation (eDoc)



	Associated to eDoc		Not Associated to eDoc	
CAIR	3,167,028	70%	1,341,004	30%
FedEx	770,493	70%	329,861	30%
THS	1,128,895	70%	486,734	30%
Total	5,066,416	70%	2,157,599	30%

For the month of November, ~3.5M tray visibility events have been captured across over 1300 data recipients

Tray Visibility Events

Enroute Depart	Enroute	Enroute Arrive	Total
550,134	2,367,288	584,893	3,502,315

Tray Visibility Data Recipient CRIDs

Mail Owners	Mail Preparers
943	440



Phase 1 – Informed Visibility™ - Jan 12 Container Visibility Events

For the month of November, ~150K container visibility events have been captured across over 900 data recipients

Container Visibility Events

Entered at USPS	Enroute Arrive	Total
17,660	136,952	154,612

Container Visibility Data Recipient CRIDs

Mail Owners	Mail Preparers
531	376

***Enroute Depart events
will be generated in
Phase 1 January launch**

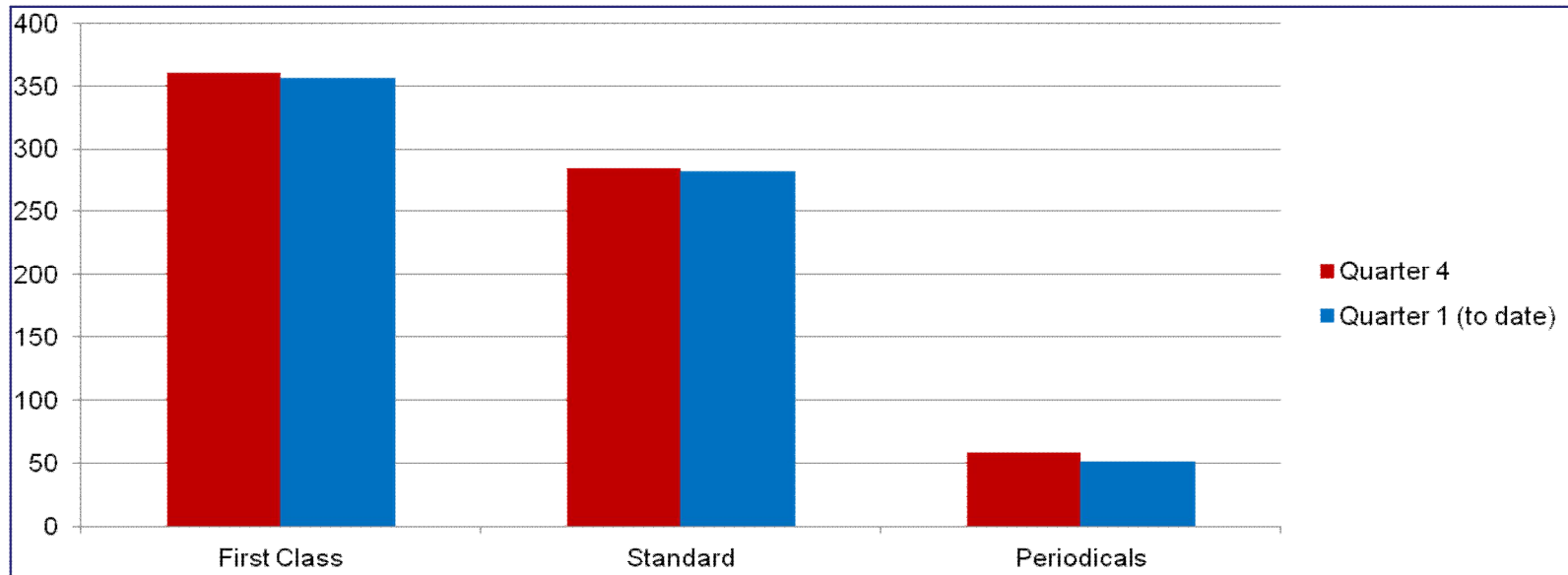
- **Mailer quality impacts visibility:**
 - **Tray visibility limited to 24-digit tray barcode adoption**
 - **Tray to Container nesting determined through Full Service eDoc information**
 - **Barcode Uniqueness critical**
 - **Ensure no Duplicate manifested barcodes in eDoc**
 - **Ensure no Duplicate physical barcodes on Placards**
- **Barcode Quality Critical**
 - **Ensure valid IMb, IM Tray Labels, and IM Container barcode constructs are used**
 - **Ensure quality barcodes are printed on Pieces, Trays, and Containers**



Intelligent Mail® Update



Full Service Sites in Measurement



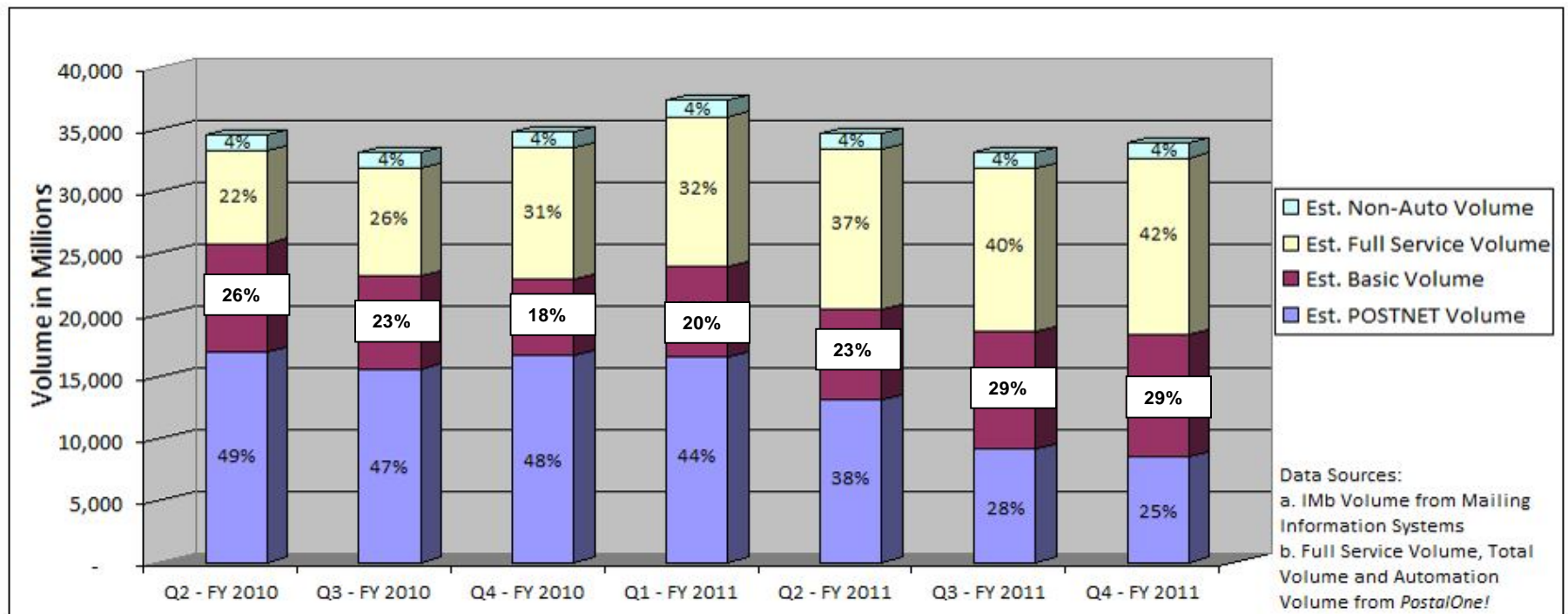
Mail Class	Quarter 4	Quarter 1 (to date)
First Class	360	356
Standard	285	282
Periodicals	59	52

Intelligent Mail vs. Full Service Volume Growth

Q4 FY 11 is showing increase in IMb adoption from POSTNET bar code

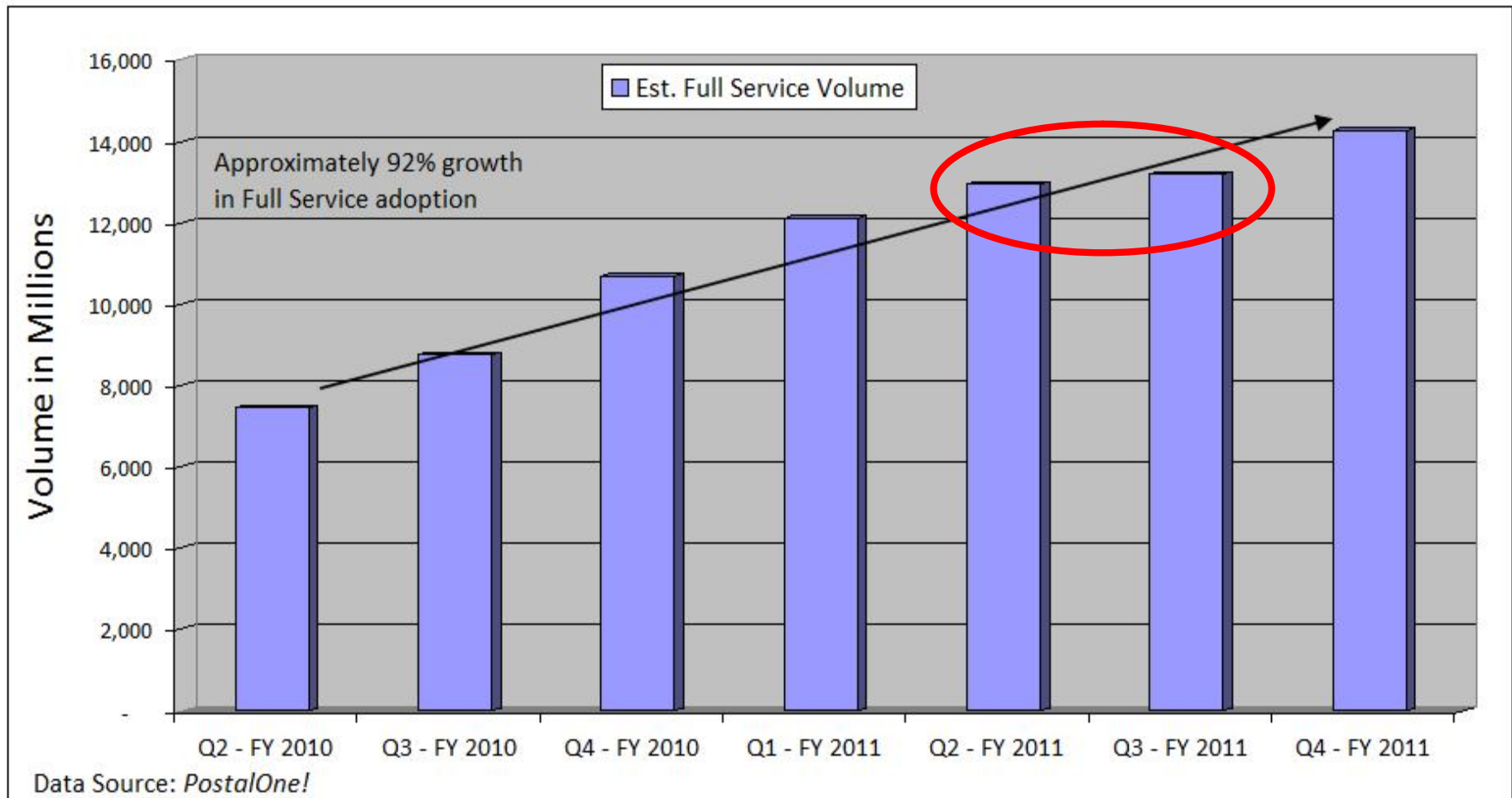
Quarter	Est. POSTNET Volume	Est. Basic Volume	Est. Full Service Volume	Est. Non-Auto Volume	Total Volume
Q2 - FY 2010	16,954	8,822	7,454	1,318	34,548
Q3 - FY 2010	15,640	7,498	8,760	1,233	33,131
Q4 - FY 2010	16,749	6,121	10,678	1,257	34,805
Q1 - FY 2011	16,603	7,335	12,100	1,309	37,347
Q2 - FY 2011	13,181	7,241	12,941	1,364	34,727
Q3 - FY 2011	9,156	9,528	13,183	1,250	33,118
Q4 - FY 2011	8,531	9,894	14,276	1,228	33,928

Please Note: All Volume is in Millions



Full Service Volume Growth

Full Service Volume has seen an 92% Growth From Q2-FY10 to Q4-FY11



Summary by Mail Class - FY 2011 (October 2010 - September 2011)

Mail Class	IMb Full Service Volume	Total Commercial Volume	Percent IMb Full Service
First Class	22,515,058	45,229,831	49.78%
Periodicals	3,541,960	7,066,908	50.12%
Standard Mail	25,488,401	83,861,912	30.39%
Total	51,545,418	136,158,651	37.86%

Note: Volume (000s)

Summary by Mail Class - FY 2011

Quarter 4 (July 2011 - September 2011)

Mail Class	IMb Full Service Volume	Total Commercial Volume	Percent IMb Full Service
First Class	6,195,468	11,326,268	54.7%
Periodicals	880,308	1,697,144	51.87%
Standard Mail	7,173,984	20,904,588	34.31%
Total	14,249,760	33,928,000	42%

Note: Volume (000s)

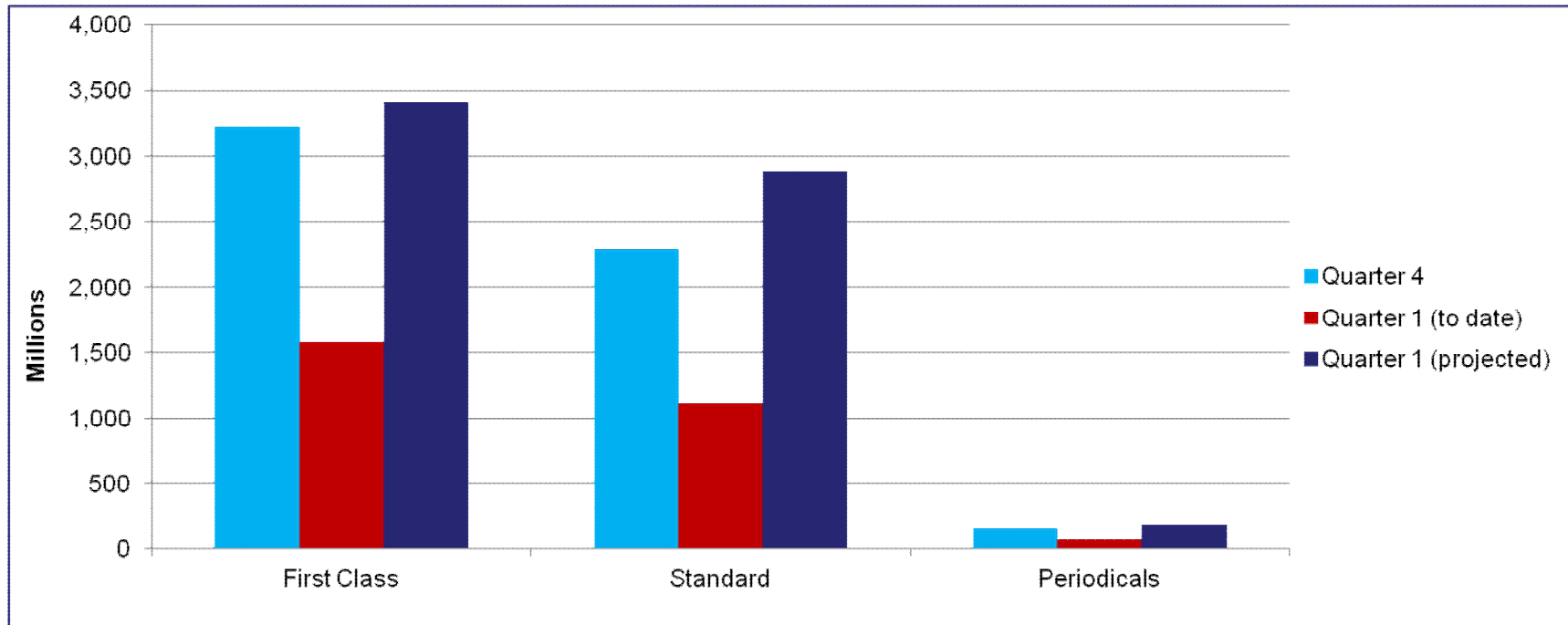
Summary by Mail Class - FY 2012 (October 2011)

Mail Class	IMb Full Service Volume	Total Commercial Volume	Percent IMb Full Service
First Class	2,119,285	3,913,149	54.16%
Periodicals	294,396	591,021	49.81%
Standard Mail	2,503,911	7,929,666	31.58%
Total	4,917,591	12,433,837	39.55%

Note: Volume (000s)

Service Measurement Update

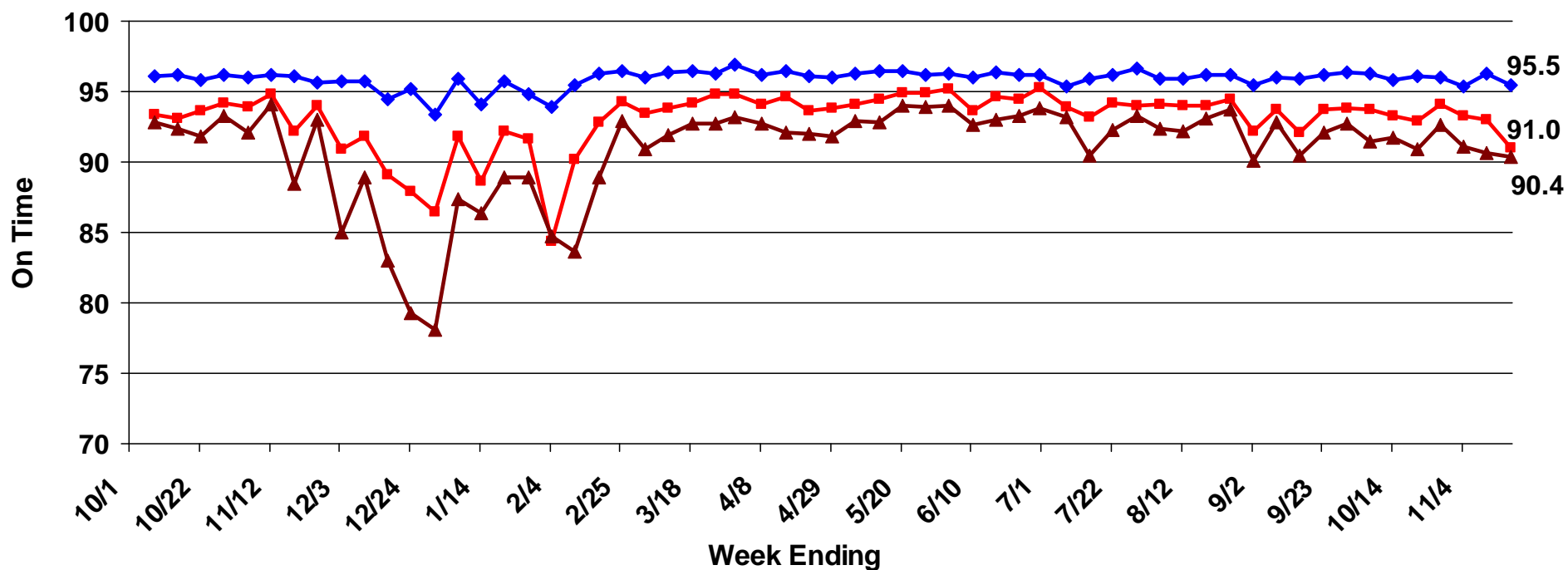
Full Service Pieces in Measurement



Mail Class	Quarter 4	Quarter 1 (to date)	Quarter 1 (projected)
First Class	3,227,074,012	1,574,911,547	3,412,308,352
Standard	2,291,687,733	1,108,581,200	2,882,311,120
Periodicals	160,155,847	69,323,761	180,241,779

Single-Piece First-Class Mail

Single-Piece First-Class Mail FY11 & FY12 Performance By Week through Nov. 18, 2011

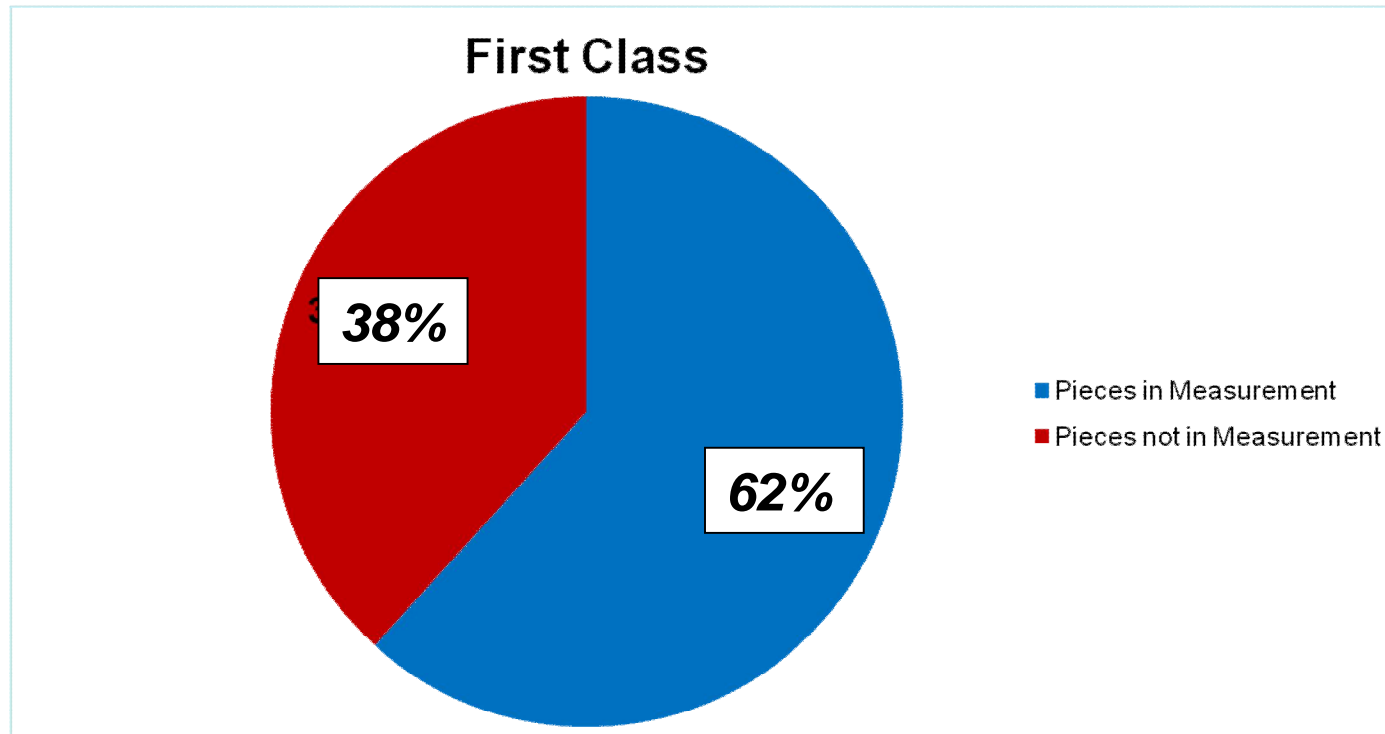


Source: EXFC

◆ Overnight ■ Two-Day ▲ Three-To-Five-Day

Notes: Parcels measured using retail DelCon parcel data from PTS

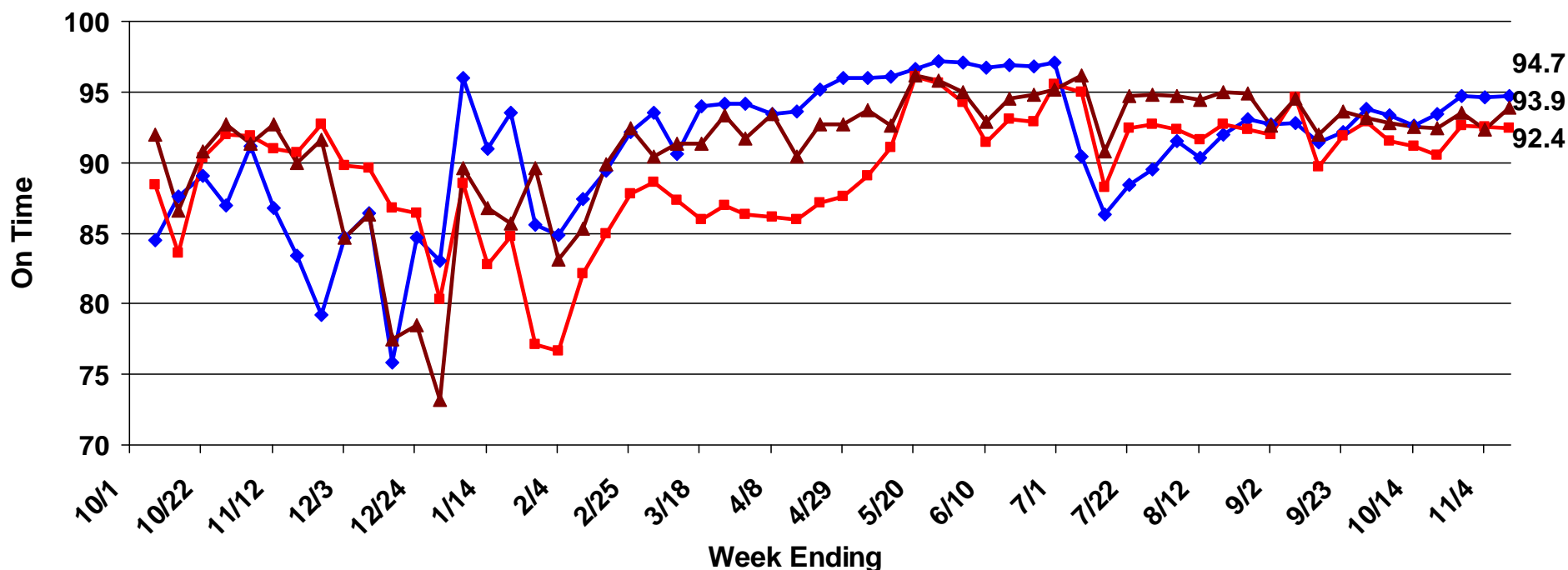
First Class Mail in Measurement



Full Service Pieces (Q1 to date)	Pieces in Measurement (Q1 to date)	% Service Measurement Yield
2,552,231,989	1,574,911,547	62%

Commercial First-Class Mail

Commercial First-Class Mail FY11 & FY12 Performance By Week through Nov. 11, 2011



Source: iMAPS

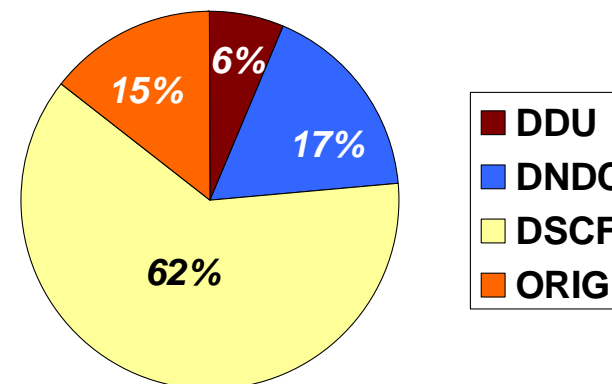
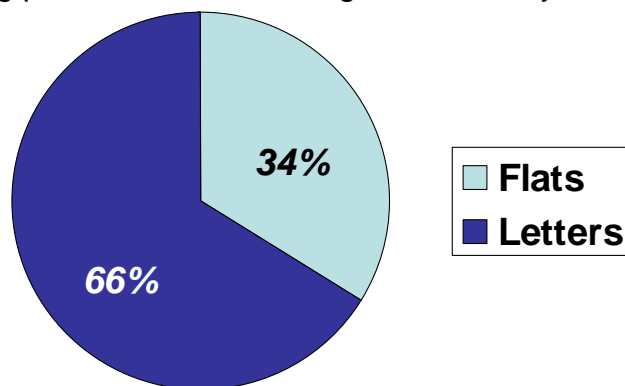
◆ Overnight ■ Two-Day ▲ Three-To-Five-Day

Notes: Flats measured using EXFC Flats; Parcels measured using retail DelCon parcel data from PTS in FY11 only

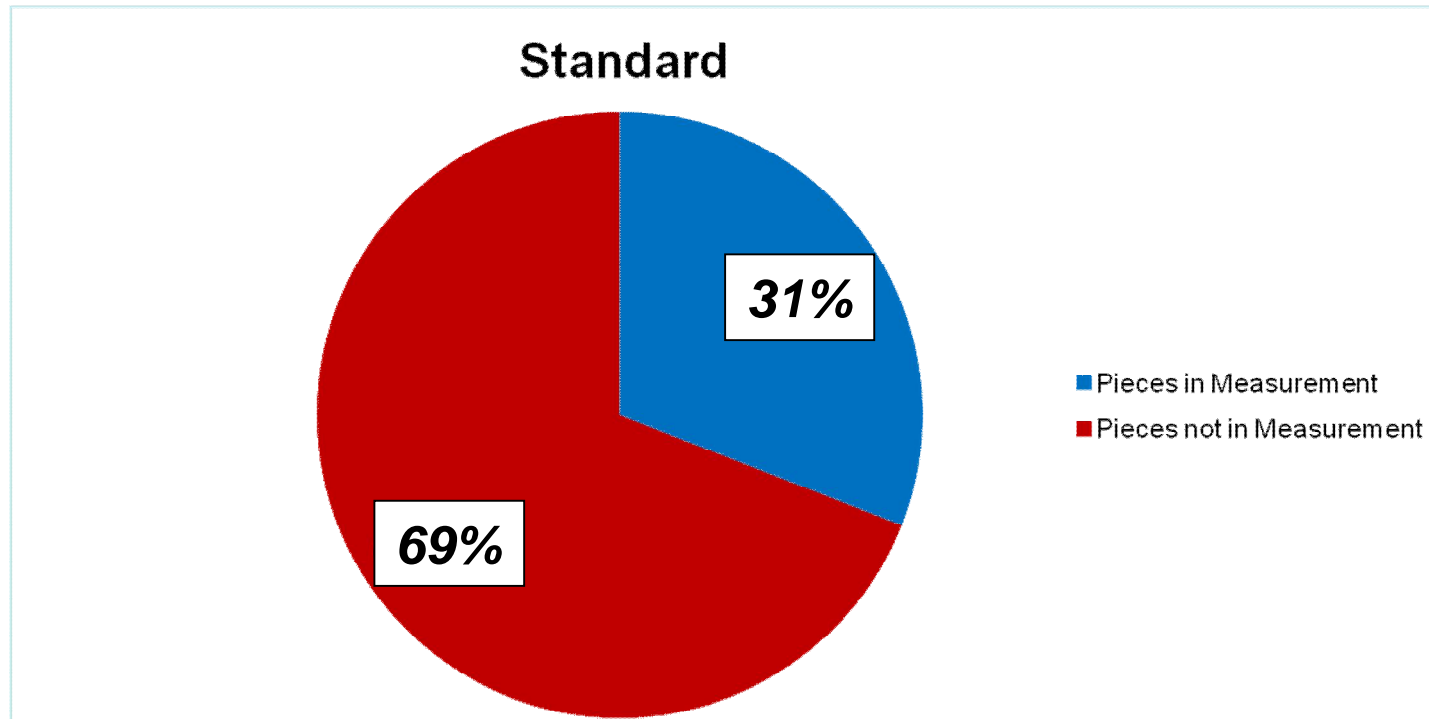
Standard Mail RPW Weights Q1 FY12

Standard Mail Category	Percent of Total Weight*
DDU Entry Saturation Flats	6.3%
DSCF Flats	21.0%
DNDC Flats	3.8%
ORIG Flats	2.7%
DSCF Letters	41.0%
DNDC Letters	13.4%
ORIG Letters	11.9%

* Excluding parcels and other categories currently missing

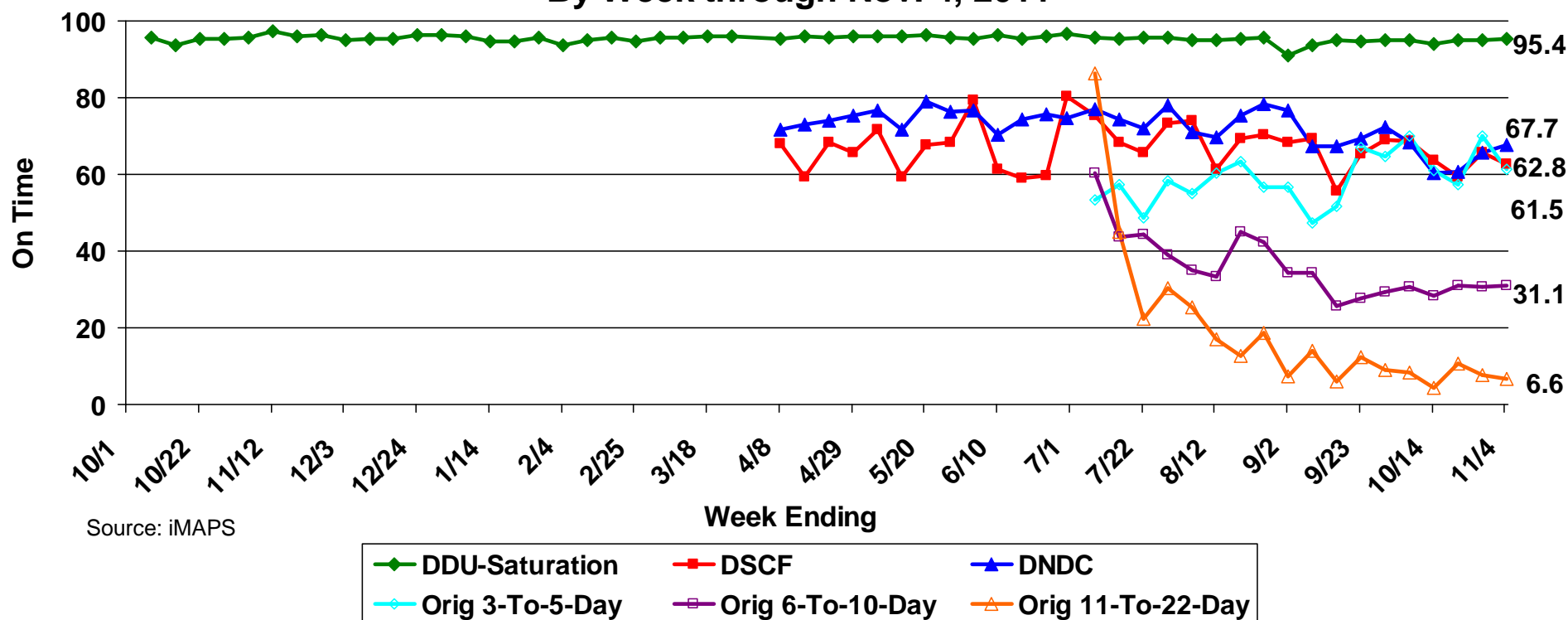


Standard Mail in Measurement



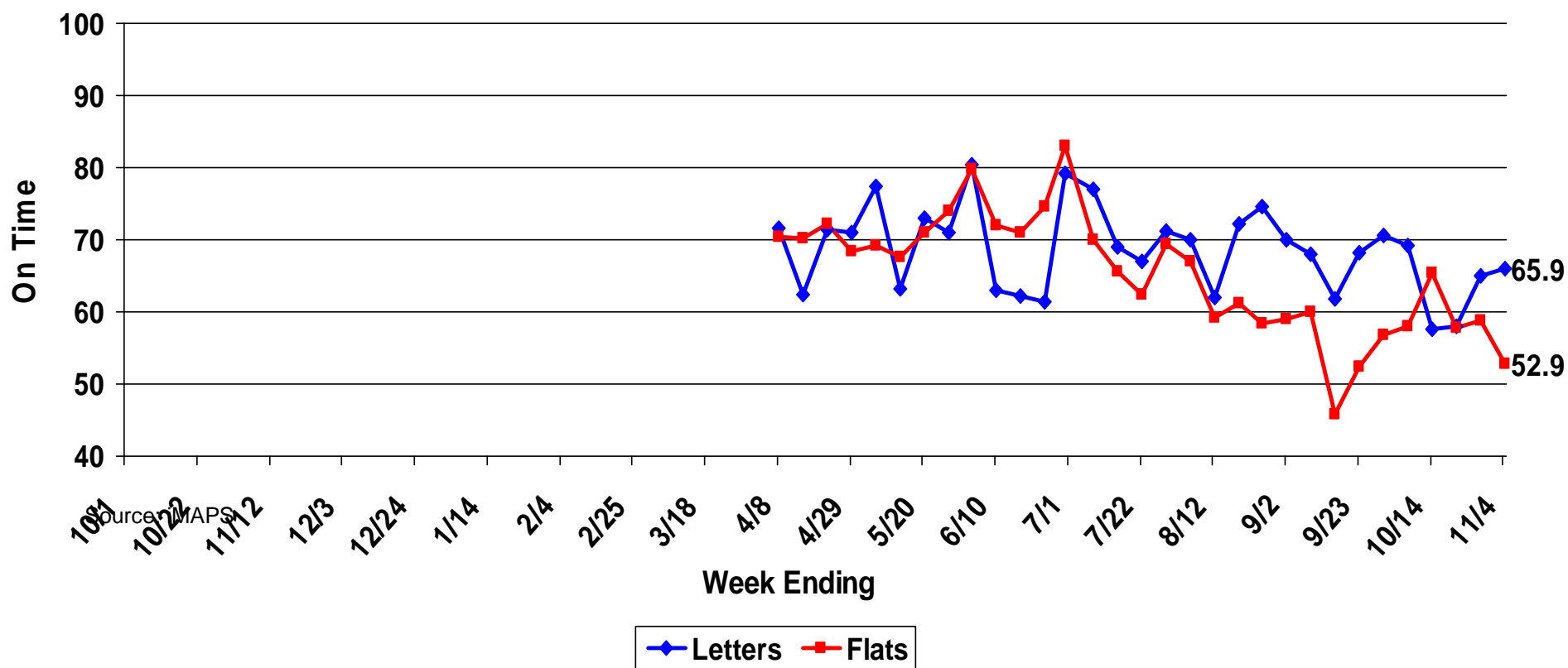
Full Service Pieces (Q1 to date)	Pieces in Measurement (Q1 to date)	% Service Measurement Yield
3,582,701,428	1,108,581,200	31%

Standard Mail FY11 & FY12 Performance By Week through Nov. 4, 2011

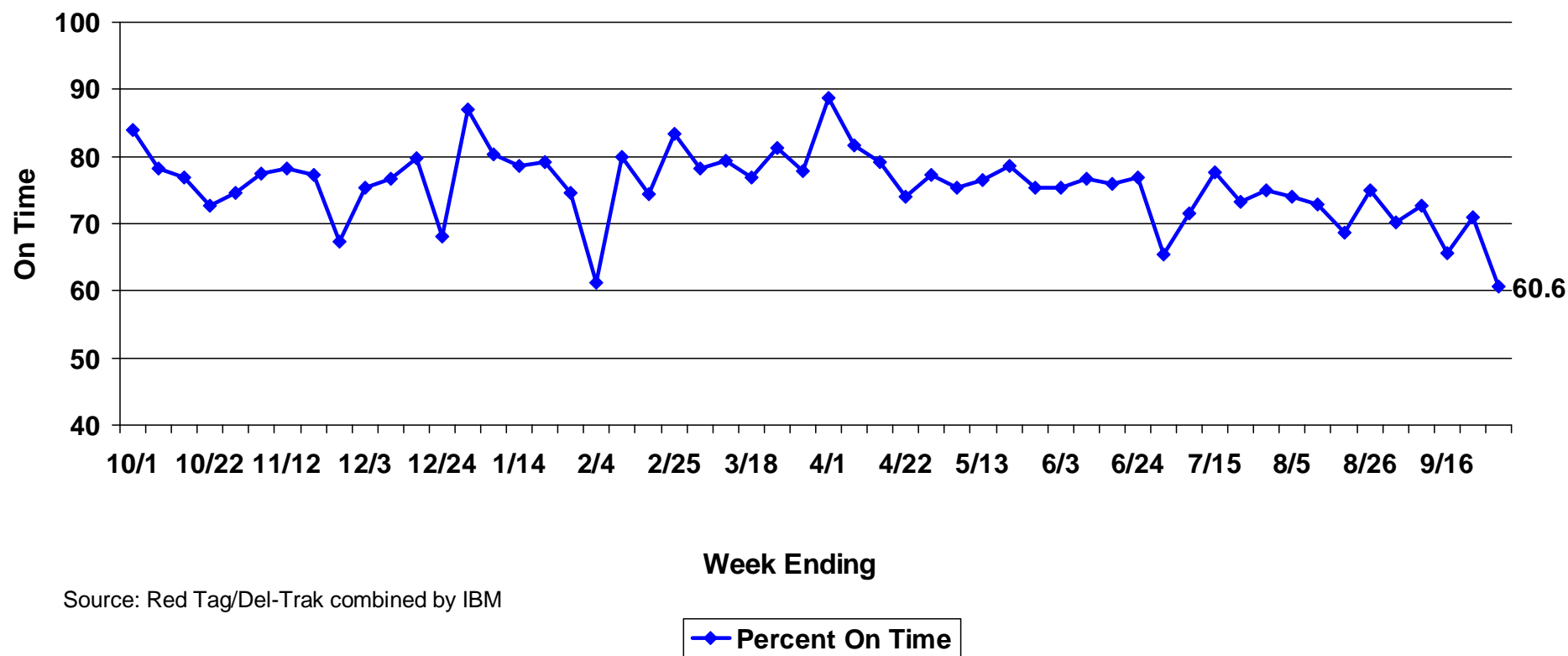


Notes: DDU-Entry = Two Day, DSCF = Three-To-Four-Day, DNDC = Five-To-Ten-Day
 DSCF and DNDC data were unavailable in Q1; SASP volumes were insufficient for measurement in Q2
 Origin Entry mail became available for measurement starting in FY11 Q4

Standard Mail FY11 & FY12 Performance By Week through Nov. 4, 2011



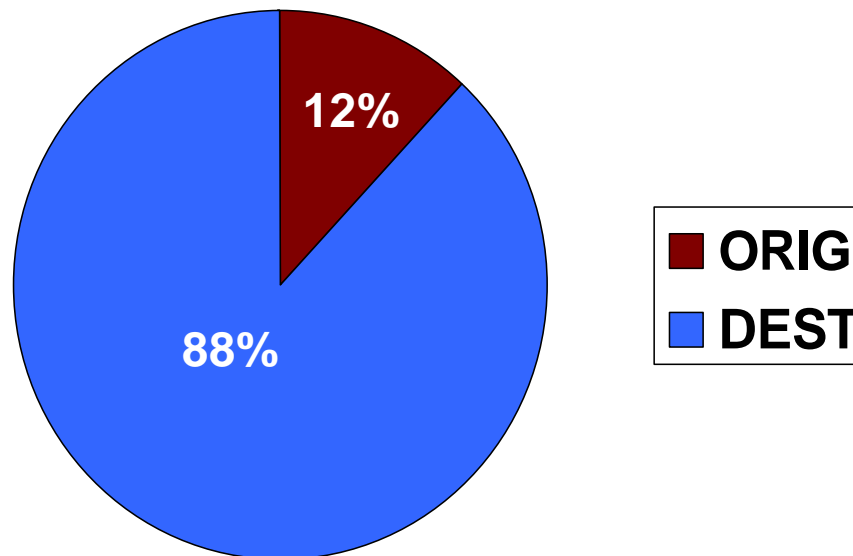
Periodicals FY11 Performance By Week



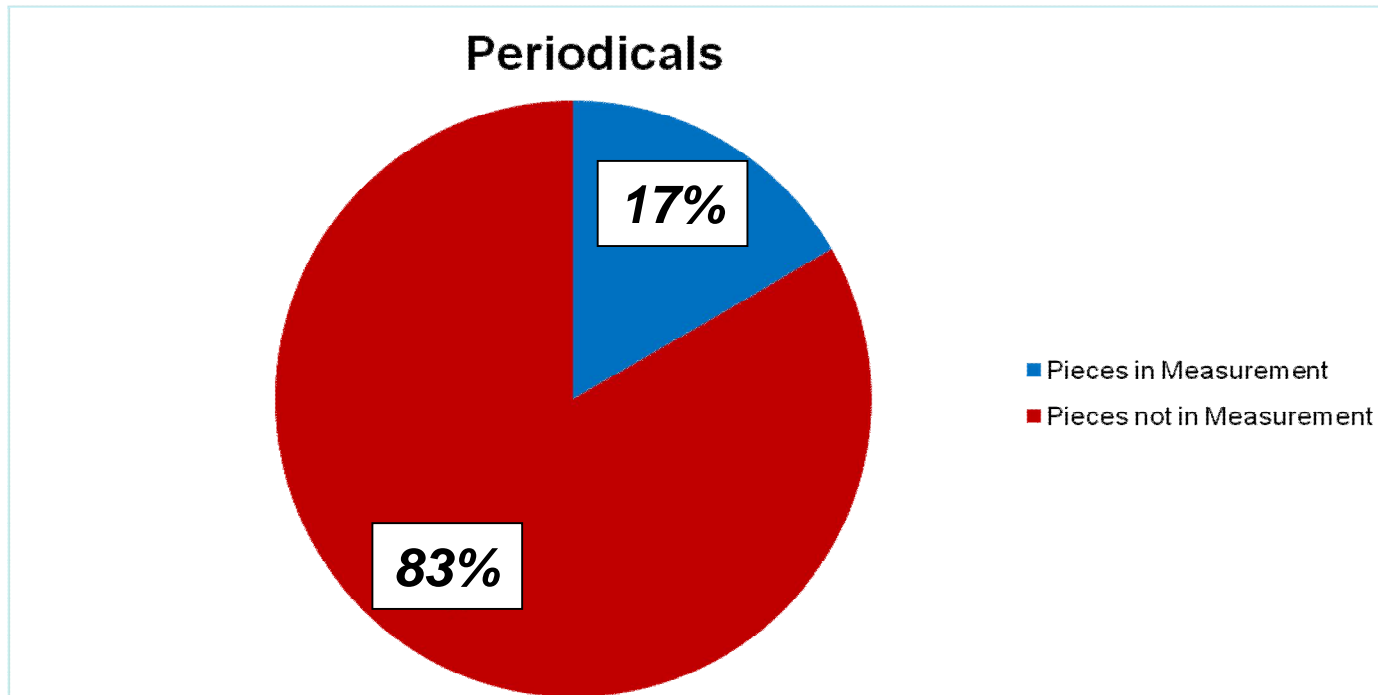
Periodicals RPW Weights

Q1 FY12

Periodicals Category	Percent of Total Weight
Origin Entry Flats	12.0%
Destination Entry Flats	88.0%

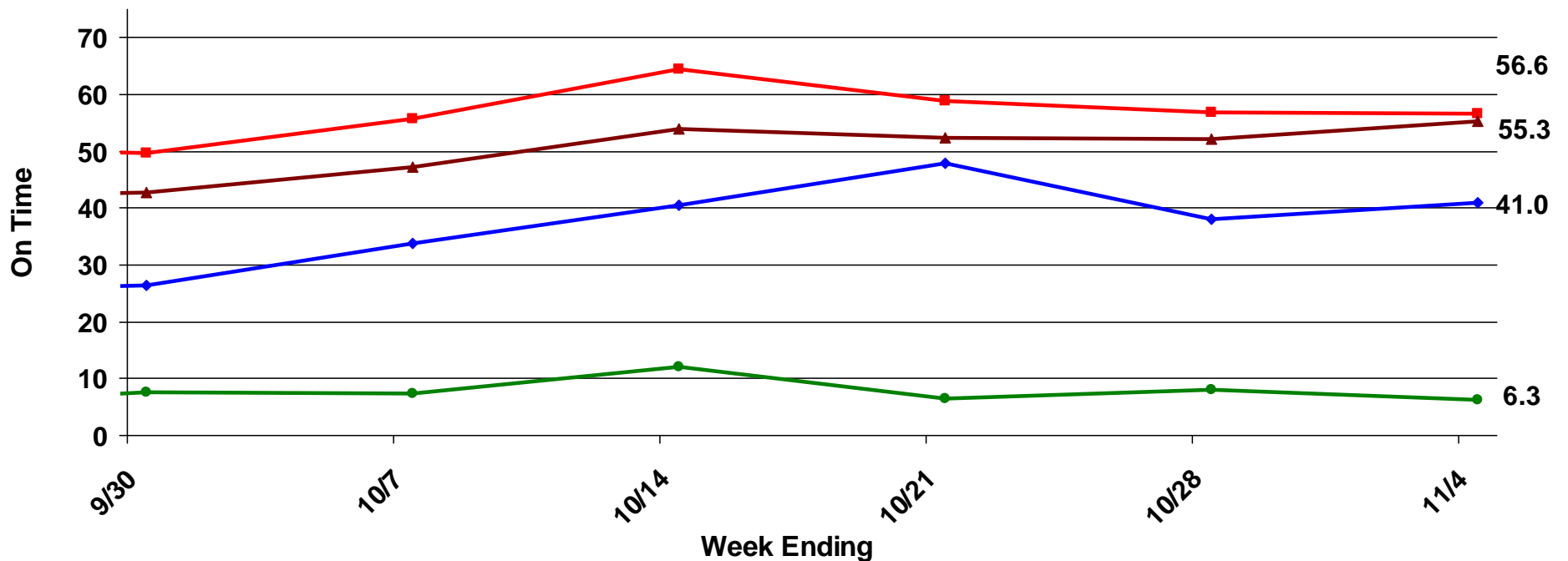


Periodicals Mail in Measurement



Full Service Pieces (Q1 to date)	Pieces in Measurement (Q1 to date)	% Service Measurement Yield
416,141,127	69,323,761	17%

Origin/Destination Entry IMb™ Periodicals FY12 Performance By Week through Nov. 4, 2011

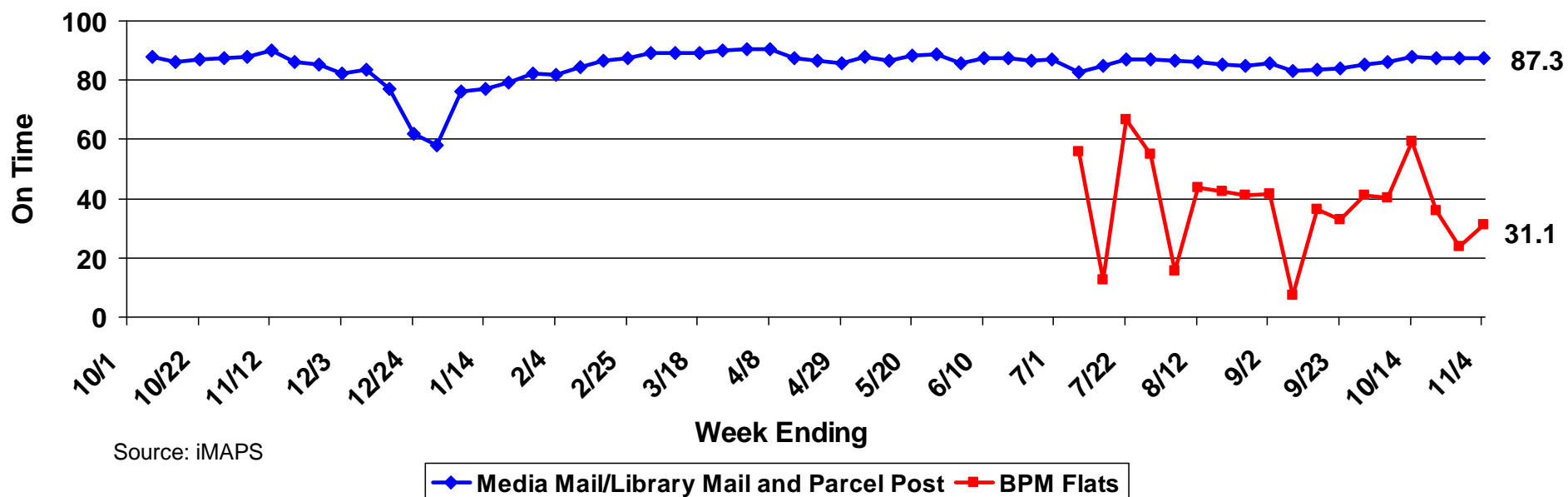


Source: iMAPS

◆ DSCF Overnight
 ■ DADC Two-Day
 ▲ E-to-E Three-Day
 ● E-to-E Four-To-Twenty-Day

Notes: Periodicals measured through IMb beginning Q1 FY12

Package Services FY11 & FY12 Performance By Week through Nov. 4, 2011



- **Drive Standard and Periodical Field Performance similar to FCM**
- **Creating Rolling 5-Day Radar**
- **Creating Containers at Risk Notifications**
- **Enhanced Reporting and Diagnostics**



Service Performance Diagnostics



IMb SERVICE PERFORMANCE DIAGNOSTICS

[Log Out](#)

No Current Messages

[Go to Message Center](#)

FCM Service Scores

Std Letters Scores

Std Flats Scores

Std Svc Scores (All)

Failed Containers

Commercial Mail

City Matrix

Top 10 Impacts

Service Parameters for Diagnostic Reports

Date Range: **Weekly** Week beginning: **11/26/2011** Mail Class: **First Class**

☒ Certified Mailers ☐ Non-certified Mailers

☒ Report for Selected District ☐ Report for Origin District ☐ Report for Selected Mailer

Destinating to:

Area: **CAPITAL METRO** District: **NORTHERN VIRGINIA** Plant: **DULLES VA**

Mailer: **-- All --** Job: **-- All Jobs --**

Mail Category: **-- All --** Service Standard: **3 Day**

[Performance Diagnostics](#)

[Failed Piece Pareto Analysis](#)

- SPM diagnostic charts are available for 52 weeks.
- Piece scans are available for 120 days ONLY.

STC Business Rules

MID Lookup

IMb Lookup

Service Standards

Training

Enhancement

Suggestions



Imagine our business with 100% visibility...

NO MORE...

Manual mail entry

Accountable cage

Sampling mail (IOCS, RPW,
ODIS, TRACS, ICS)

DOIS

Measuring footage

Counting of volume

3rd party measurement

Revenue assurance risk

Rural mail count

Managed service points

AMS edit book

...AND NO MORE...

Volume conversion rates

Customer volume & revenue confusion

MCRS reporting

"Service surprises"

...What else?

Questions?